U.S. DEPARTMENT OF JUSTICE

UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA
JUNE 11, 2003

OPERATING AND REPORTING REQUIREMENTS FOR CHAPTER 11 CASES

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Section 586(a)(3) of Title 28 of the United States Code provides for the supervision of the administration of Chapter 11 cases by the United States Trustee. Pursuant to that Section, the United States Trustee for Region 15 has promulgated the following requirements. Timely compliance with each of the following requirements is essential and required by United States Bankruptcy Code ("U.S.C.") Section 1107(a), Federal Rule of Bankruptcy Procedure ("Fed.R.Bankr.P.") 2015.

A. MEETINGS AND CONFERENCES

1. INITIAL DEBTOR CONFERENCES

The United States Trustee may require the debtor and its counsel to meet with a member of the staff of the United States Trustee at an initial debtor conference, which is generally held seven to ten calendar days after the filing of a voluntary petition. The purpose of the conference is to discuss the debtor's particular financial situation, its operating framework under Chapter 11, and the requirements of the United States Trustee. The debtor and debtor's attorney will be notified by mail if such a conference is set.

2. MEETING OF CREDITORS

A meeting of creditors will be held by the United States Trustee within 20 to 40 days after the filing of a voluntary petition. The debtor and debtor's attorney are required to appear, and in the case of a joint petition, both debtors must appear. All creditors and other parties in interest are notified of the meeting by the Clerk of the Bankruptcy Court. The debtor(s) will be examined under oath by the representative of the United States Trustee, creditors, and other parties in interest in attendance pursuant to 11 U.S.C. §§ 341 and 343, and Fed.R.Bankr.P. Rule 2003(b).

B. BOOKS, RECORDS, AND ACCOUNTS

1. BOOKS AND RECORDS

The books and records of the debtor must be closed out as of the date of the filing of the petition, and new books and records opened immediately thereafter, covering the post-petition period of the debtor-in-possession.

2. BANK ACCOUNTS

All pre-petition bank accounts and other deposits of which the debtor has possession, custody, control, ownership, use, or access must be closed upon the filing of the petition, and three new debtor-in-possession accounts opened: the general, payroll, and tax accounts. If the debtor possesses cash collateral, additional accounts must be established and maintained in accordance with 11 U.S.C. §363(c)(4). The debtor may not use cash collateral without the consent of the secured creditor or an order of the bankruptcy court. <u>See</u>, 11 U.S.C. §363(c)(2).

All funds received or held by the debtor-in-possession must be deposited into an account with a financial institution designated by the United States Trustee as an authorized depository. A copy of the list of authorized depositories for the Southern District of California may be obtained from the office of the United States Trustee.

The new bank signature cards for the bank accounts of the debtor-in-possession must clearly indicate that the debtor is a "chapter 11 debtor-in-possession." All checks shall be sequentially numbered, with the case name, case number, the words "Debtor-in-Possession", and type of account (general, payroll, tax, or cash collateral) imprinted on the face of each check, in substantially the following form:

ABC Produce Supply — *No. 00001*
Debtor-in-Possession, 92-XXXXX
GENERAL ACCOUNT — *______________, 20___*
5555 Market Street
San Diego, CA 92100

Pay to the Order of ________________________________ *$*___________

____ *Dollars*

00XXX-XXX-00-XXXXX 000XXX-XX00 ______________________________

3. BUSINESS CREDIT CARD ACCOUNTS

The debtor-in-possession shall close all business credit card accounts immediately. Copies of the closing statement for each such account must be attached to the monthly operating report when received.

<u>C. REPORTS AND REQUIRED DOCUMENTS</u>

1. EVIDENCE OF INSURANCE COVERAGE

The debtor-in-possession, within seven calendar days after the date of the filing of the petition, must provide the United States Trustee with certificates of insurance or other verified documents showing that each policy of insurance required for the estate is in full force and effect. Each policy must disclose the type and extent of coverage, effective dates, names of the insurance carrier and broker, and the agent's name, address and telephone number. The debtor-in-possession is responsible for including the address of the United States Trustee and the Bankruptcy case number as an additional interest holder, and on the cancellation notice. Additionally, the debtor-in-possession is required to provide a copy of either a renewal or new policy of insurance prior to the time that any existing policy or coverage is to expire.

Generally, the following types of insurance are required:

a. General Comprehensive/Public Liability;
b. Casualty coverage (tangible assets capable of loss by fire, weather, theft, vandalism, etc.);
c. Workers' Compensation;
d. Vehicle;
e. Product Liability.

2. PROJECTED OPERATING STATEMENT

The debtor-in-possession, within seven calendar days after the filing of the petition, is required to submit to the United States Trustee a Projected Operating Statement for the first ninety days of operations under Chapter 11. The statement must be submitted in the form of a profit and loss statement which includes an itemized list of income and expenses.

3. MONTHLY OPERATING REPORT

In accordance with 28 U.S.C. § 586(a)(3)(D), and 11 U.S.C. § 1106(a)(1), the debtor-in-possession shall file an original of the monthly Operating Report with the Clerk of the Bankruptcy Court no later than twenty calendar days after the close of each month. A copy of each Operating Report shall be served on the United States Trustee. The debtor-in-possession is required to attach copies of the monthly bank statements, bank reconciliations, and federal payroll tax deposit receipts, if applicable, to the Operating Reports. The monthly Operating Report should conform to the form attached.

4. RECENT INCOME TAX RETURNS

The debtor-in-possession, within 30 days of the filing of the petition, shall provide to the United States Trustee copies of its state and federal income tax returns filed for the two years prior to the filing of the petition.

5. REAL PROPERTY QUESTIONNAIRE

The debtor, within seven calendar days after the filing of the petition, shall submit to the United States Trustee, a Real Property Questionnaire for each parcel of real property owned or leased by the debtor. A Real Property Questionnaire form is attached.

6. PHYSICAL INVENTORY

The debtor, within thirty calendar days after the filing of the petition, is required to submit to the United States Trustee a physical inventory as of the date of the petition which provides an itemized cost value of the inventory held by the estate.

7. POST-CONFIRMATION REPORTS

The United States Trustee requires quarterly reports after confirmation of a plan of reorganization until the court grants a final decree. In accordance with 28 U.S.C. § 586(a)(3)(D) and 11 U.S.C. § 1106(a)(1), the reorganized debtor shall file an original quarterly Post-Confirmation Report with the clerk of the bankruptcy court no later than twenty calendar days after the close of each calendar quarter. A copy of each Post-Confirmation Report shall be served on the United States Trustee. The reorganized debtor should be prepared to substantiate anything reported on the Post-Confirmation Report to the United States Trustee. Requested substantiation could include, but is not limited to, such items as disbursement registers or bank statements. A Post-Confirmation Report is attached for your use.

8. REPORTS IN CASES CONVERTED TO CHAPTER 7

Should the case convert to a chapter 7, the debtor or chapter 11 trustee must comply with Fed.R.Bankr.P. 1019(1), (4), and (5) and LBR 1019-1. All records and property must be turned over to the chapter 7 trustee. Property of the estate must be secured and preserved.

The debtor or chapter 11 trustee must also file a final report and account with the Court, with a copy served on the United States Trustee and the chapter 7 trustee assigned to the case. The final report and account should include a verified schedule of all property of the estate as of the date of conversion. This schedule of assets must be filed within 5 days after entry of the order converting the case to chapter 7. Additionally, a schedule of unpaid debts incurred after commencement of the superseded case including the name and address of each creditor must be filed and served within 15 days after the entry of the order converting the case. A final report and account form is attached for your use.

9. SERVICE OF DOCUMENTS ON THE U.S. TRUSTEE

The debtor must serve the United States Trustee with a copy of all documents submitted to or filed with the Bankruptcy Court and all matters served on parties in interest pursuant to the Bankruptcy Rules. See, Fed.R.Bankr.P. 9034. See also, United States Trustee Attorney Guideline Number 1. The United States Trustee accepts service of documents at 402 West Broadway, Suite 600, San Diego CA 92101-8511.

DO NOT serve the United States Trustee with documents filed in adversary proceedings, other than the initial Complaint and the initial Answer, unless requested to do so in writing by the office of the United States Trustee. DO NOT serve pleadings or documents by facsimile machine unless requested to do so by the office of the United States Trustee. Transmission of copies by facsimile does not constitute service of process under the Bankruptcy Local Rule ("LBR") 9006-3.

D. UNITED STATES TRUSTEE QUARTERLY FEES

Debtors are required to pay quarterly fees in all pending chapter 11 cases pursuant to 28 U.S.C. § 1930(a) and Fed.R.Bankr.P. 2015(a)(5). Fees must be paid to the United States Trustee each calendar quarter based upon the dollar amount of disbursements made during that quarter. Fees for the first quarter are calculated from the date of the filing of the petition to the end of the calendar quarter. Fees for the last quarter are calculated from the beginning of that quarter to the date of the entry of the order closing, converting, or dismissing the case.

TOTAL QUARTERLY DISBURSEMENTS	QUARTERLY FEE
No Disbursements	$ 250[1]
$ 0 to 14, 999.99	250
15,000.00 to 74,999.99	500
75,000.00 to 149,999.99	750
150,000.00 to 224,999.99	1,250
225,000.00 to 299,999.99	1,500
300,000.00 to 999,999.99	3,750
1,000,000.00 to 1,999,999.99	5,000
2,000,000.00 to 2,999,999.99	7,500
3,000,000.00 to 4,999,999.99	8,000
5,000,000.00 or more	10,000

A minimum fee of $250 is due each quarter even if no disbursements are made during that quarter, and even if the case was pending during that quarter for only one day. Fee payments are due no later than thirty days following the end of each quarter.

The amount of fees owed must be substantiated through the filing of Operating

[1] *The amount of the Quarterly Fees changed on September 30, 1996. For the amounts imposed for calendar quarters before October 1, 1996, contact the Office of the United States Trustee for a copy of the prior fee schedule.*

Reports. The maximum fee of $10,000 per quarter may be imposed in cases where substantiation of the fee amount cannot be determined due to the debtor's failure to file timely Operating Reports.

If a plan of reorganization is confirmed, payment of any outstanding quarterly fees, must be made on or before the effective date of the plan. Additionally, the plan must provide for the payment of quarterly fees until the case is either closed by the court, dismissed by the court or converted to another chapter.

Quarterly fees are billed by direct mail to the debtor-in-possession, and payments should be mailed to:

United States Trustee
Post Office Box 198246
Atlanta, Georgia 30384

If any check for the payment of quarterly fees is dishonored, then all future quarterly fee payments must be made by cashier's check, certified funds, or money order. Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case pursuant to 11 U.S.C. § 1112(b)(10).

E. GENERAL RESTRICTIONS

1. POST-PETITION TAXES, WAGES, AND EXPENSES OF ADMINISTRATION

The debtor-in-possession must remain current with all expenses of administration during the pendency of the chapter 11 case. The debtor-in-possession, as a fiduciary, must withhold, collect, and deposit all taxes owed to the Internal Revenue Service and state and local taxing authorities. These taxes include, but are not limited to, federal and state withholding, employee's portion of F.I.C.A., federal and state unemployment insurance, transient occupancy taxes, and sales and use taxes. All administrative priority wages, employee related payments and other expenses of administration must be paid as they become due.

2. OBTAINING CREDIT

11 U.S.C. § 364(b) provides that the debtor-in-possession may not obtain credit nor incur unsecured debt other than in the ordinary course of business without prior court approval. Section 364(c) also requires court approval before the obtaining of credit or

the incurring of debt with priority over certain administrative expenses. Section 364(c) requires court approval before obtaining credit or incurring debt that is secured by a lien on property of the estate. The debtor-in-possession should also consult with its attorney before extending credit or lending funds to third parties. The debtor-in-possession shall serve the United States Trustee with a copy of any such application filed with the court.

3. USE, SALE, OR LEASE OF PROPERTY OF THE ESTATE

11 U.S.C. §363(b) requires a debtor to obtain prior court approval for the use, sale, or lease of property of the estate when such use, sale, or lease is not in the ordinary course of business of the debtor. The debtor shall serve the United States Trustee with copies of any such application filed with the court.

4. EMPLOYMENT OF ATTORNEYS AND OTHER PROFESSIONALS

A debtor-in-possession may employ an attorney, accountant, or other professional only upon authorization by the court. No payments may be made to such attorneys, accountants, or other professionals after the filing of the petition without prior court authorization after notice to all creditors and the opportunity for a hearing. See, 11 U.S.C. §§ 327 through 331 and Fed.R.Bankr.P. 2014, 2016, and 2017.

5. COMPENSATION OF PRINCIPALS, PARTNERS, OFFICERS, OR DIRECTORS OF THE DEBTOR

No compensation or other remuneration shall be paid by the debtor to any officer, director, or shareholder of a corporation, to any partners of a debtor partnership or to an individual debtor without first complying with the provisions of Bankruptcy Local Rule 4002-2.

6. PAYMENT OF PRE-PETITION DEBT

There are specific prohibitions and restrictions against payment of certain debts incurred prior to the filing of the petition without court authorization. The debtor is cautioned to consult with its attorney regarding any payment of pre-petition debts.

7. CHANGE OF ADDRESS OR TELEPHONE NUMBER

The debtor must notify the United States Trustee, in writing within forty-eight (48) hours, of any change of address or telephone number of the debtor and debtor's attorney. The debtor must also file with the Clerk of the Bankruptcy Court a change of address form.

F. MODIFICATIONS

The United States Trustee may, at any time, amend or modify the requirements of a particular chapter 11 case. Additional requirements may include the submission of audited and unaudited financial statements, state and federal payroll or income tax returns, state sales tax returns (with all schedules and attachments), copies of trust agreements or conveyances, and examination of the debtor's books, records, and bank statements. Any request to amend or modify these requirements must be submitted in writing, and no such amendments or modifications are valid unless and until they are approved by the office of the United States Trustee in writing.

June 11, 2003

STEVEN JAY KATZMAN
UNITED STATES TRUSTEE

TIMETABLE AND CHECKLIST

I. Contemporaneous With Filing of Petition

A. Bankruptcy Petition Cover Sheet.

B. Petition with required Exhibits (See, Local Bankruptcy Rule 1007-3(3)).

II. Immediately After Filing of Petition

A. Close all pre-petition bank accounts, books, and records and all business credit card accounts.

B. Open new debtor-in-possession books and records, and debtor-in-possession bank accounts (General, Tax, and Payroll accounts).

C. Conduct physical inventory.

D. Amend all insurance policies to include the United States Trustee as an additional interest holder and to include bankruptcy case number.

III. Within Seven Days After Filing of Petition

A. Provide evidence of appropriate insurance coverage to the United States Trustee.

B. Provide proof of the opening of new debtor-in-possession bank accounts by providing copies of the signature cards to the United States Trustee.

C. Submit Real Property Questionnaire for each parcel of real estate in which the debtor has an interest to the United States Trustee.

D. Submit Projected Operating Statement to the United States Trustee.

E. Submit copies of the Debtor's state and federal income tax returns for the last two years to the United States Trustee.

IV. A. File Schedules of Assets and Liabilities and Statement of Financial Affairs if not filed with the Petition and Exhibits.

B. Attend Initial Debtor Conference (if scheduled).

V. Within Thirty Days After Filing of Petition

A. Submit Physical Inventory to the United States Trustee.

B. File and Serve Applications to Employ Professionals or Other Professionals (See, United States Trustee Attorney Guideline Number 2).

VI. During the Chapter 11 Case.

A. Submit timely payments of United States Trustee Quarterly Fees each quarter.

B. File and serve Operating Reports for each month within twenty calendar days of the end of the month.

C. Submit renewals or new policies of insurance for property of the estate prior to the expiration of existing policies.

D. Serve the United States Trustee with copies of all documents filed with the Court.

E. File Disclosure Statement and Plan of Reorganization within 120 days of the filing of the Petition.

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re: Debtor(s).	CHAPTER 11 CASE NO. ________________________ **DEBTOR-IN-POSSESSION** **REAL PROPERTY QUESTIONNAIRE** OWNED PROPERTY

SUBMIT THIS QUESTIONNAIRE TO THE OFFICE OF THE UNITED STATES TRUSTEE ONLY. DO NOT FILE WITH THE BANKRUPTCY COURT.

The debtor-in-possession is required to complete a Real Property Questionnaire for each parcel of real property in which the debtor held a legal or equitable interest at the time of the filing of the petition. This includes, but is not limited to, property held under ownership, leasehold, land sale, or open escrow. A continuation sheet should be attached for each question where additional space is needed.

A. General Property Information

1. Address of property including county and state in which it is located:

____

____

2. Type of real property (i.e., single family residence, condominium, apartment building, office building, commercial, industrial, unimproved):

____

3. Description of property (i.e., number of units or offices, square footage, amenities, and present condition):

____

____

4. Define the debtor's interest in the real property:

________ Ownership (i.e., fee ownership).
________ Land Sale.
________ Other - Explain: ____

____

5. Does the property presently conform to all local, state, and federal requirements, such as health, building, safety, earthquake, fire, or other regulations?

________ Yes.
________ No. Explain. ____

____

B. Income and Management of the Property

1. Is any income being generated from rental or use of the property by third parties?

________ Yes. Present gross monthly income: $______________
________ No.

2. If the property is being used or occupied by a third party, provide the name of that party, explain the relationship, if any, to the debtor-in-possession and explain the terms of any agreement with that party.

____
____
____

3. Is there any person or entity managing the property?

________ No.
________ Yes. Provide the name, address, and telephone number of the managing person/entity and attach a copy of the management agreement.

____
____
____

4. Is the manager (or principals of the management company) in any way related to or affiliated with the debtor?

________ No.
________ Yes. Provide complete information regarding the relationship or affiliation.

____
____

5. Has a real estate broker or agent been employed by the debtor for this property?

________ No.
________ Yes. Provide the name and address of the broker or agent and the date on which the broker or agent was employed.

____
____

C. Ownership Items

1. Is the debtor the titleholder to the property?

________ Yes.
________ No. Explain. ____

____

____

2. Provide the percentage interest and type of ownership (i.e., fee simple, tenants in common, joint tenancy, etc.) held in the property by the debtor.

__________________________________ ________%
Type of Ownership

3. Date of acquisition of the property: ____
Total purchase price of the property: ____

4. Present fair market value: $____________
Source and basis of the fair market value: ____

____

____

____

5. Voluntary encumbrances recorded against the property (e.g., mortgages/trust deeds, stipulated judgments):

	Name of Lender	Outstanding Principal Amount	Installment Payments/ Frequency	Number of Delinquent Payments
1st		$	$	
2nd		$	$	
3rd		$	$	
4th		$	$	
5th		$	$	

6. If any pre-petition debt service payments remained unpaid as a result of a dispute, were such payments escrowed into a separate trust account: Yes ________/No ________

If yes, please provide the name of the depository, branch, account number, and amount of funds on hand. ____

____

____

7. Involuntary encumbrances recorded against the property (i.e., tax, mechanics, judgment, lis pendens, and other liens). State the type of lien, amount, and date recorded:

____

____

____

8. Itemize all the monthly expenses related to the property, excluding debt service (attach a separate listing, if necessary): ______________________________

I, ______________________ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession Real Property Questionnaire and that the information contained herein is true and correct to the best of my knowledge.

Date: ______________________________

Principal for Debtor-In-Possession

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re: Debtor(s).	CHAPTER 11 CASE NO. __________________________ **DEBTOR-IN-POSSESSION** **REAL PROPERTY QUESTIONNAIRE** LEASED PROPERTY

SUBMIT THIS QUESTIONNAIRE TO THE OFFICE OF THE UNITED STATES TRUSTEE ONLY. DO NOT FILE WITH THE BANKRUPTCY COURT.

The debtor-in-possession is required to complete a Real Property Questionnaire for each parcel of real property in which the debtor held a legal or equitable interest at the time of the filing of the petition. This includes, but is not limited to, property held under ownership, leasehold, land sale, or open escrow. A continuation sheet should be attached for each question where additional space is needed.

A. General Property Information

1. Address of property including county and state in which it is located:

____

____

2. Type of real property (i.e., single family residence, condominium, apartment building, office building, commercial, industrial, unimproved):

____

3. Description of property (i.e., number of units or offices, square footage, amenities, and present condition):

____

____

4. Does the property presently conform to all local, state, and federal requirements, such as health, building, safety, earthquake, fire or other regulations?

_________ Yes
_________ No. Explain: ____

____

____

B. <u>Property Leased by the Debtor-in-Possession</u>

1. What is the name, address and telephone number of the lessor?

____

____

____

2. Does the lessor own the property?

________ Yes.
________ No. Provide the name, address, and telephone number of the owner.

____

____

____

3. Does a written lease exist between the Debtor-in-Possession and the lessor?

________ Yes. Please attach a copy of the lease.
________ No. Please explain the terms of the lease.

____

____

____

4. Lease payment amount: $___________
Per: ________ Month/ ________ Quarter/ ________ Year/ ________ Other: ________

5. Number and amount of unpaid pre-petition lease payments:
Number: ________/ Amount: $________

6. If any pre-petition lease payments remained unpaid as a result of a dispute, were such payments escrowed into a separate trust account?

________ No.

________ Yes. Please provide the name of the escrow holder, account number, and amount of funds on hand: ____

____

____

____

I, ________________________________ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing Real Property Questionnaire and that the information provided herein is true and correct to the best of my knowledge.

Date: ____________________________________

Principal for Debtor-In-Possession

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re: Debtor(s).	CHAPTER 11 CASE NO. ________________________ **DEBTOR-IN-POSSESSION PROJECTED 90-DAY PROFIT AND LOSS STATEMENT** ACCRUAL BASIS

	(Month)	(Month)	(Month)	TOTAL
Sales/Revenue:				
Gross Sales/Revenue				
Less: Returns/Discounts	( )	( )	( )	( )
Net Sales/Revenue				
Cost of Goods Sold:				
Beginning Inventory at Cost				
Purchases				
Less: Ending Inventory at Cost	( )	( )	( )	( )
Cost of Goods Sold (COGS)				
Gross Profit (Sales Less COGS)				
Other Operating Income				
Operating Expenses:				
Officer/Management Payroll				
Payroll - Other Employees				
Payroll - Taxes				
Other Taxes				
Depreciation and Amortization				
Rent Expense - Real Property				
Lease Expense - Personal Property				
Repairs and Maintenance				
Insurance				
Real Property Taxes				
Telephone and Utilities				
Travel and Entertainment				
Miscellaneous Operating Expenses				
Total Operating Expenses	( )	( )	( )	( )
Net Income/(Loss) from Operations				
Non-Operating Income:				
Interest Income				
Net Gain on Sale of Assets				
Other				
Total Non-Operating Income				
Non-Operating Expenses:				
Interest Expense				
Legal and Professional				
Other				
Total Non-Operating Expenses	( )	( )	( )	( )
NET INCOME/(LOSS)				

____

____

____
Attorney for Debtor-In-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In Re: Debtor(s).	CASE NUMBER CHAPTER 11 DEBTOR-IN-POSSESSION MONTHLY OPERATING REPORT FOR THE MONTH OF ___________________, 20____

TO: THE HONORABLE ________________________
UNITED STATES BANKRUPTCY JUDGE

The Debtor-In-Possession hereby files its monthly Operating Report pursuant to the United States Trustee’s Operating and Reporting Requirements for Chapter 11 cases.

DATED:

____
Attorney for Debtor-In-Possession

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re: Debtor(s).	CHAPTER 11 (BUSINESS) CASE NO. ________________________ **OPERATING REPORT NO.** ________ FOR THE MONTH ENDING: __________________________________

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS $ ________________

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS $ ________________

3. BEGINNING BALANCE: $ ________________

4. RECEIPTS DURING CURRENT PERIOD:

   ACCOUNTS RECEIVABLE - PRE-FILING $ ________________
   ACCOUNTS RECEIVABLE - POST-FILING $ ________________
   GENERAL SALES $ ________________
   OTHER (SPECIFY) _________________________ $ ________________
   OTHER ** (SPECIFY) ______________________ $ ________________

   TOTAL RECEIPTS THIS PERIOD: $ ________________

5. BALANCE: $ ________________

6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD $ ________________
   (Total from Page 2)

7. ENDING BALANCE: $ ________________

8. GENERAL ACCOUNT NUMBER ______________________________________
   DEPOSITORY NAME AND LOCATION ____

---

* *<u>All</u> receipts must be deposited into the general account.*
** *Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.*

TOTAL DISBURSEMENTS FROM GENERAL ACCOUNT FOR CURRENT PERIOD

DATE	CHECK NUMBER	PAYEE	PURPOSE	AMOUNT
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$

TOTAL DISBURSEMENTS THIS PERIOD: $ ____________

Add additional pages as necessary to include all disbursements.

I. CASH RECEIPTS AND DISBURSEMENTS (Continued)
B. (PAYROLL ACCOUNT)

1. TOTAL RECEIPTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS $ ____________

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS $ ____________

3. BEGINNING BALANCE $ ____________

4. RECEIPTS:
   TRANSFERRED FROM GENERAL ACCOUNT $ ____________

5. BALANCE $ ____________

6. LESS: DISBURSEMENTS DURING CURRENT PERIOD

DATE	CHECK NO.	PAYEE	AMOUNT

TOTAL DISBURSEMENTS THIS PERIOD: $ ____________

7. ENDING BALANCE: $ ____________

8. PAYROLL ACCOUNT NUMBER ______________________________
   DEPOSITORY NAME AND LOCATION ____

I. CASH RECEIPTS AND DISBURSEMENTS (Continued)
B. (TAX ACCOUNT)

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS $ ____________

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS $ ____________

3. BEGINNING BALANCE $ ____________

4. RECEIPTS:
   TRANSFERRED FROM GENERAL ACCOUNT $ ____________

5. BALANCE $ ____________

6. LESS: DISBURSEMENTS DURING CURRENT PERIOD

DATE	CHECK NO.	PAYEE	AMOUNT

TOTAL DISBURSEMENTS THIS PERIOD: $ ____________

7. ENDING BALANCE: $ ____________

8. TAX ACCOUNT NUMBER ______________________________
   DEPOSITORY NAME AND LOCATION ____

D. SUMMARY SCHEDULE OF CASH

ENDING BALANCE FOR PERIOD:

GENERAL ACCOUNT	$ ____________
PAYROLL ACCOUNT	$ ____________
TAX ACCOUNT	$ ____________
OTHER ACCOUNTS*: ________________	$ ____________
OTHER MONIES*: ___________________	$ ____________
PETTY CASH**	$ ____________
TOTAL CASH AVAILABLE	$ ____________

* *Specify the fund and the type of holding (i.e., CD, Savings Account, Investment securities, etc.), and the depository name, location, and account number.*

** *Attach exhibit itemizing all petty cash transactions.*

NOTE: Attach copies of monthly accounts statements from financial institutions for each account.

II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS, AND OTHER PARTIES TO EXECUTORY CONTRACTS

CREDITOR, LESSOR, ETC.	FREQUENCY OF PAYMENTS (Mo./Qtr.)	AMOUNT OF PAYMENT	POST-PETITION PAYMENTS NOT MADE (NUMBER)	TOTAL DUE

III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

GROSS SALES SUBJECT TO SALES TAX $ _________________

TOTAL WAGES PAID $ _________________

	TOTAL POST-PETITION AMOUNTS OWING	AMOUNT DELINQUENT	DATE DELINQUENT AMOUNT DUE
FEDERAL WITHHOLDING	$	$	
STATE WITHHOLDING	$	$	
FICA - EMPLOYER'S SHARE	$	$	
FICA - EMPLOYEE'S SHARE	$	$	
FEDERAL UNEMPLOYMENT	$	$	
STATE WITHHOLDING	$	$	
SALES AND USE	$	$	
REAL PROPERTY	$	$	
OTHER: (SPECIFY)	$	$	
TOTAL:	$	$	

IV. AGING OF ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE

	ACCOUNTS PAYABLE* (POST-PETITION ONLY)	ACCOUNTS RECEIVABLE Pre-Petition	Post-Petition
30 days or less			
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days			
TOTALS:			

V. INSURANCE COVERAGE

	NAME OF CARRIER	AMOUNT OF COVERAGE	POLICY EXPIRATION DATE	PREMIUM PAID THROUGH:
General Liability				
Worker Compensation				
Casualty				
Vehicle				
________________				
________________				

VI. UNITED STATES TRUSTEE QUARTERLY FEES (TOTAL PAYMENTS)

Qtrly Period Ending	Total Disbursements	Qtrly Fees	Date Paid	Amount Paid	Qtrly Fee Still Owing

* *Post-Petition Accounts Payable should not include professionals' fees and expenses which have been incurred but not yet awarded by the Court. Post-Petition Accounts Payable should include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period of the report.*

VII. PROFIT AND LOSS STATEMENT

(ACCRUAL BASIS ONLY)

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Gross Sales/Revenue	________	________
Less: Returns/Discounts	(________)	(________)
Net Sales/Revenue	________	________
Cost of Goods Sold:		
Beginning Inventory at cost	________	________
Purchases	________	________
Less: Ending Inventory at cost	(________)	(________)
Cost of Goods Sold (COGS)	________	________
Gross Profit	________	________
Other Operating Income (Itemize)	________	________
Operating Expenses:		
Payroll - Insiders	________	________
Payroll - Other Employees	________	________
Payroll Taxes	________	________
Other Taxes (Itemize)	________	________
Depreciation and Amortization	________	________
Rent Expense - Real Property	________	________
Lease Expense - Personal Property	________	________
Insurance	________	________
Real Property Taxes	________	________
Telephone and Utilities	________	________
Repairs and Maintenance	________	________
Travel and Entertainment (Itemize)	________	________
Miscellaneous Operating Expenses (Itemize)	________	________
Total Operating Expenses	(________)	(________)
Net Gain/(Loss) from Operations	________	________
Non-Operating Income:		
Interest Income	________	________
Net Gain on Sale of Assets (Itemize)	________	________
Other (Itemize)	________	________
Total Non-Operating income	________	________
Non-Operating Expenses:		
Interest Expense	________	________
Legal and Professional (Itemize)	________	________
Other (Itemize)	________	________
Total Non-Operating Expenses	(________)	(________)
NET INCOME/(LOSS)	________	________

(Attach exhibit listing all itemizations required above)

VIII. BALANCE SHEET
(ACCRUAL BASIS ONLY)

ASSETS	Current Month End	
Current Assets:		
Unrestricted Cash		
Restricted Cash		
Accounts Receivable		
Inventory		
Notes Receivable		
Prepaid Expenses		
Other (Itemize)		
Total Current Assets		
Property, Plant, and Equipment		
Accumulated Depreciation/Depletion		
Net Property, Plant, and Equipment		
Other Assets (Net of Amortization):		
Due from Insiders		
Other (Itemize)		
Total Other Assets		
TOTAL ASSETS		
LIABILITIES		
Postpetition Liabilities:		
Accounts Payable		
Taxes Payable		
Notes Payable		
Professional fees		
Secured Debt		
Other (Itemize)		
Total Postpetition Liabilities		
Prepetition Liabilities:		
Secured Liabilities		
Priority Liabilities		
Unsecured Liabilities		
Other (Itemize)		
Total Prepetition Liabilities		
TOTAL LIABILITIES		
EQUITY:		
Prepetition Owners' Equity		
Postpetition Profit/(Loss)		
Direct Charges to Equity		
TOTAL EQUITY		
TOTAL LIABILITIES & EQUITY		

IX. QUESTIONNAIRE

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court?

   ______ No.
   ______ Yes. Explain ____

   ____

2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization?

   ______ No.
   ______ Yes. Amount, to whom, and for what period? ______________________________

   ____

3. State what progress was made during the reporting period toward filing a plan of reorganization:

   ____
   ____
   ____
   ____

4. Describe potential future developments which may have a significant impact on the case.

   ____
   ____
   ____
   ____
   ____

5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

6. Did you receive any exempt income this month, which is not set forth in the operating report?
   ________ No.
   ________ Yes. Please set forth the amounts and the source of the income.

   ____
   ____
   ____

I, ____________________________________ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

Date: ____________________________ ______________________________
Principal for debtor-in-possession

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re: Debtor(s).	CHAPTER 11 (NON-BUSINESS) CASE NO. ________________________ **REPORT NO. ________** FOR THE MONTH ENDING: __________________________________

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS $ ________________
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS $ ________________
3. BEGINNING BALANCE: $ ________________
4. RECEIPTS DURING CURRENT PERIOD**:
5. BALANCE: $ ________________
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD $ ________________
   (Total from Page 2)
7. ENDING BALANCE: $ ________________

8. GENERAL ACCOUNT NUMBER ______________________________________
   DEPOSITORY NAME AND LOCATION ____

___

* *All receipts must be deposited into the general account.*
** *Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.*

TOTAL DISBURSEMENTS FROM GENERAL ACCOUNT FOR CURRENT PERIOD

DATE	CHECK NUMBER	PAYEE	PURPOSE	AMOUNT
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$
				$

TOTAL DISBURSEMENTS THIS PERIOD: $ ____________

Add additional pages as necessary to include all disbursements.

II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS, AND OTHER PARTIES TO EXECUTORY CONTRACTS

CREDITOR, LESSOR, ETC.	FREQUENCY OF PAYMENTS (Mo./Qtr.)	AMOUNT OF PAYMENT	POST-PETITION PAYMENTS NOT MADE (NUMBER)	TOTAL DUE

III. INSURANCE COVERAGE

	NAME OF CARRIER	AMOUNT OF COVERAGE	POLICY EXPIRATION DATE	PREMIUM PAID THROUGH:
General Liability				
Worker Compensation				
Casualty				
Vehicle				
________________				
________________				

IV. SUMMARY SCHEDULE OF CASH

ENDING BALANCES FOR PERIOD:

GENERAL ACCOUNT $ _____________
OTHER ACCOUNTS*: ________________ $ _____________
OTHER MONIES*: ___________________ $ _____________

TOTAL CASH AVAILABLE $ _____________

* *Specify the fund and the type of holding (i.e., CD, Savings Account, Investment securities, etc.), and the depository name, location, and account number.*

NOTE: Attach copies of monthly accounts statements from financial institutions for each account.

V. UNITED STATES TRUSTEE QUARTERLY FEES
(TOTAL PAYMENTS)

Qtrly Period Ending	Total Disbursements	Qtrly Fees	Date Paid	Amount Paid	Qtrly Fee Still Owing

VI. QUESTIONNAIRE

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court?

   ______ No.
   ______ Yes. Explain ____
   ____

2. State what progress was made during the reporting period toward filing a Plan of Reorganization:

   ____
   ____
   ____
   ____

3. Describe potential future developments which may have a significant impact on the case.

   ____
   ____
   ____
   ____
   ____

4. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

5. Did you receive any exempt income this month, which is not set forth in the operating report?
   ________ No.
   ________ Yes. Please set forth the amounts and the source of the income.

   ____
   ____
   ____
   ____

I, ______________________________ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession non-business report and that the information contained herein is true and complete to the best of my knowledge.

Date: ________________________ ________________________________

Principal for debtor-in-possession

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re:

Debtor(s).

CH.11 POST CONFIRMATION REPORT

CASE NO. ________________________

DATE PLAN CONFIRMED: ________

_____ QUARTERLY _____ FINAL

CALENDAR QUARTER ENDING:

____

A. PLEASE ANSWER THE FOLLOWING:

1. Will you be able to comply with the terms of your plan?

____

____

2. If no, describe any factors which impair your ability to comply with the terms of the plan:

____

____

3. Please describe any factors which may materially affect your ability to obtain a final decree.

____

____

____

4. If plan payments have not yet begun, please indicate the date that the first plan payment is due.

____

B. SUMMARY OF AMOUNTS DISBURSED UNDER THE PLAN:

		Total Payments Projected under Plan	**Current Quarter**	**Paid to Date**	**Minimum Amount Required to be Paid to Date Under Plan**	**Amount Delinquent**
I.	**ADMINISTRATIVE EXPENSE CLAIMS**					
1.	**Trustee Compensation**	$__________	$__________	$__________	$__________	$__________
2.	**Fee for Attorney for Trustee**	__________	__________	__________	__________	__________
3.	**Fee for Attorney for Debtor**	__________	__________	__________	__________	__________
4.	**Other Professionals**	__________	__________	__________	__________	__________
5.	**All Other Expenses**	__________	__________	__________	__________	__________
II.	**DISTRIBUTIONS**					
6.	**Secured Creditors**	__________	__________	__________	__________	__________
7.	**Priority Creditors**	__________	__________	__________	__________	__________
8.	**Unsecured Creditors**	__________	__________	__________	__________	__________
9.	**Equity Security Holders**	__________	__________	__________	__________	__________
10.	**Other Payments (Specify Class of Payee)**					
	__________________	__________	__________	__________	__________	__________
TOTAL PLAN DISBURSEMENTS		**$**	**$**	**$**	**$**	**$**

C. Percent Dividend to be Paid to Unsecured Creditors Under Plan __________ **%**

D. UNITED STATES TRUSTEE QUARTERLY FEES (TOTAL PAYMENTS)

Qtrly Period Ending	Total Disbursement	Qtrly Fees	Date Paid	Amount Paid	Qtrly Fee Still Owing

All disbursements made by the reorganized debtor, whether under the plan or otherwise, must be accounted for and reported herein for the purpose of calculating the quarterly fees.

E. CONSUMMATION OF PLAN:

If this is a final report, has an application for Final Decree been submitted?

_____ Yes - Date application was submitted? ___________________________

_____ No - Date when application will be submitted? ___________________

Estimated Date of Final Payment Under Plan __________________________

I, ______________________ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing Chapter 11 Post Confirmation Report and that the information contained herein is true and complete to the best of my knowledge.

Date: _____________________

____
Principal for Reorganized Debtor

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA

In Re:

Debtor(s).

CHAPTER 11

CASE NO. ________________________

FINAL REPORT AND ACCOUNT

Date Order Converting Case to
Chapter 7 Entered: __________________

Schedule I - Disposition of Assets

Asset Description (Scheduled and Unscheduled Property)	Petition/ Unscheduled Value	Status and Location of Property (Including Information on Disposal, if Property is Currently Not Property of the Estate)

Case No: ____________________

Case Name: _____________________________________

Schedule II - Post-Petition Creditors

Name and Address	Type (Administrative, Superpriority, etc.)	Amount Due
	Subtotal (Total of this page)	
	Total (Use only on the last page of Schedule II)	

Case No: ____________________

Case Name: _____________________________________

Schedule III - Post-Petition Payments to Professionals

Name and Address of Professional	Amount Paid Post-Petition	Retainer

I, ______________________________ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing Final Report and Account and that the information contained herein is true and complete to the best of my knowledge.

Date: __________________________

____
Principal for Debtor-In-Possession